Iowa Department of Natural Resources
Environmental Protection Commission

ITEM **18** **INFORMATION**

TOPIC **Proposed Rule – Chapters 22 and 23 – Air Quality Program Rules – Adoption of new and amended federal air quality standards and revisions to air construction permit requirements.**

The attached Notice of Intended Action to amend Chapter 22 "Controlling Pollution" and Chapter 23 "Emission Standards for Contaminants" of the 567 Iowa Administrative Code is being presented to the Commission for information.

The purpose of the proposed rule changes is to adopt new federal regulations affecting stationary internal combustion engines, gasoline distribution facilities and surface coating operations, and to amend the state air construction permitting requirements to better accommodate the new federal regulations.

Over the last year, EPA finalized several new air quality regulations under two programs authorized by federal Clean Air Act (CAA), the New Source Performance Standards (NSPS) program and the National Emissions Standards for Hazardous Air Pollutant (NESHAP) program. These programs require new and existing facilities in a particular industry sector that construct and operate specific equipment to meet uniform standards for air pollutant emissions.

This rulemaking includes adoption of new federal NSPS and NESHAP impacting facilities or businesses that previously had few, if any, air quality requirements. Because of the potential impacts to small businesses and previously unregulated facilities, the Department is developing implementation strategies in conjunction with the proposed rulemaking. The strategies include cooperative efforts with University of Northern Iowa – Iowa Air Emissions Assistance Program (UNI), Iowa Department of Economic Development (IDED), the Linn and Polk County local air quality programs, and other interested associations and organizations, to provide outreach, education and compliance assistance to stakeholders.

The Department's outreach efforts began earlier this year, will continue during the rulemaking process, and will go on after the new rules are adopted. The implementation strategies will depend on the specific rule requirements and on stakeholder needs.

It is hoped that this rulemaking, in conjunction with the Department's outreach efforts, will result in reductions in air toxic and other air pollutant emissions while minimizing the regulatory burden to small businesses and other affected facilities.

The specific items included in the Notice of Intended Action are summarized below. Because adoption of new NSPS and NESHAP into Chapter 23 are the primary reason for this rulemaking,

these changes are paired with the items describing the complementary changes to permit requirements in Chapter 22.

New requirements for Stationary Internal Combustion Engines (Items 1, 3, 4, 5 and 6)

New Source Performance Standards (NSPS) – Items 3 and 4
The Department is adopting new NSPS for stationary spark ignition internal combustion engines (SI engines). SI engines are typically gasoline fueled, but also include engines with spark plugs that burn other fuels. SI engines are used at power plants, industrial sources and other facilities to generate electricity and to power pumps and compressors.

The standards for new SI engines will limit emissions of NO_x, carbon monoxide (CO) and volatile organic compounds (VOC). All sizes of new stationary SI engines are covered under this NSPS. The NSPS phases in more stringent emissions requirements for engines with later manufacture dates. The standards are similar to the NSPS for stationary compression ignition (CI) engines (diesel engines) that the Department adopted in February 2007.

National Emission Standards for Hazardous Air Pollutants (NESHAP) – Items 5 and 6
The Department is adopting recent federal amendments to the NESHAP for stationary reciprocating internal combustion engines (RICE). The amendments will limit hazardous air pollutants (HAP), or air toxics emissions, from new and reconstructed RICE at both area sources and major sources.

Areas sources are usually smaller commercial or industrial operations that typically release lesser quantities of HAP. Specifically, area sources have potential emissions less than 10 tons per year (tpy) of any single HAP and less than 25 tpy of any combination of HAP. Facilities that have potential HAP emissions greater than or equal to these levels are classified as major sources of HAP.

Generally, the RICE NESHAP requires new and reconstructed engines to meet the NSPS requirements for CI or SI engines.

Construction Permit Requirements for Small, Stationary Engines – Item 1
Currently, stationary internal combustion engines (ICE) less than 400 horsepower (HP) are eligible to be exempt for the requirement to obtain a construction permit. At this time this exemption was adopted, there were no federal requirements applicable to these smaller engines. The new NSPS and NESHAP regulations for ICE require all sizes of new, modified or reconstructed engines to meet certain emission requirements. To address this, the Department is amending the 400 HP exemption to require submittal of a registration certifying NSPS and NESHAP compliance. The registration will walk affected facilities through a series of questions that will assist facilities in complying with the NSPS and NESHAP, while still allowing the engine to be exempt from the requirement to obtain a construction permit. The registration will also assist the Department air quality and field office staff to ensure that affected facilities are in compliance.

New Requirements for Gasoline Distribution and Dispensing (Items 5 and 7)

NESHAP for Bulk Gasoline Distribution

The NESHAP for gasoline distribution applies to bulk gasoline facilities, such as bulk plants, bulk terminals, and pipeline breakout stations. The NESHAP will reduce VOC and HAP from gasoline vapors, including benzene emissions.

Bulk terminals and pipeline breakout stations typically have higher monthly gasoline throughputs, and are required to control emissions through submerged filling at tanks and loading racks and controls on gasoline storage tanks. Owners and operators of larger terminals must capture and control gasoline vapors at the loading rack. The Department has received initial notifications from approximately 20 existing terminals and breakout stations that will be subject to the NESHAP.

Bulk plants have lower monthly gasoline throughputs than terminals or breakout stations. Owners and operators of bulk plants are required to control gasoline vapors by use of submerged filling at tanks and loading racks. The Department estimates that there may be 100-200 bulk plants affected by the NESHAP. However, owners and operators of bulk gasoline plants are already required to use submerged filling at tanks under existing state rules for underground storage tanks (UST) and flammable liquids. The Department is working with Petroleum Marketers and Convenience Stores of Iowa (PMCI), EPA, and state agency staff to identify the affected bulk plants.

NESHAP for Gasoline Dispensing Facilities

The second area source NESHAP being adopted affects gasoline dispensing facilities, such as gas stations. Like the NESHAP for bulk facilities, this NESHAP will reduce VOC and HAP from gasoline vapors, including benzene emissions. These standards apply to gasoline cargo tanks (trucks) and each storage tank. The NESHAP does not apply to equipment used for refueling motor vehicles (gasoline pumps).

The gasoline dispensing NESHAP requirements are based on the actual, monthly throughput of gasoline at the facility. Under the NESHAP, owners and operators of smaller facilities are required to follow specified "good management practices" (GMP) to minimize gasoline evaporation. Owners and operators of medium sized facilities are required to follow GMP and use submerged filling of gasoline tanks. Owners and operators of large facilities must employ GMP, submerged fill, and a vapor balance system during storage tank loadings.

Owners and operators of affected gasoline dispensing facilities (GDF) are already required to implement GMP and submerged fill under existing administrative rules for UST and flammable liquids. Vapor balancing is not required under existing state rules. The Department estimates that approximately 250 larger GDF will need to implement vapor balancing. However, approximately 50 of these facilities already use vapor balancing, and nearly all of the remaining 200 facilities will have until January 2011 to comply with the NESHAP requirements. The Department has been corresponding regularly with EPA, PMCI and a number of affected facilities regarding the new requirements. The Department plans to meet with stakeholders in August to formulate an outreach and compliance assistance strategy.

Construction Permit Requirements for Bulk Plants and Gasoline Dispensing Facilities (GDF)
Because bulk plants and GDF that are minor sources (not Title V) previously had very few, if any, federal or state air quality requirements, the Department has not sought construction permits from these facilities. For small and medium sized GDF, compliance with current UST and flammable liquids regulations will also serve as compliance with the NESHAP. For larger GDF that will need to install vapor balance systems, the owners and operators of these facilities are generally aware of the requirements and will be working to meet the January 2011 compliance date. The Department will work with PMCI and affected facilities to assist with compliance. At this time, the Department does not plan to require air construction permits from GDF.

Because of how the NESHAP defines throughput at bulk gasoline facilities, it appears that bulk plant owners and operators will need to obtain enforceable gasoline throughput limits by January 2011 if they wish to avoid having their facilities classified as terminals. The Department estimates that nearly all of 100-200 bulk plants affected by the NESHAP do not have construction permits. The Departments plans to meet with PMCI and affected facility owners and operators in August to discuss the NESHAP requirements and to develop a streamlined permitting strategy for bulk plants.

New Requirements for Auto body Refinishing and Miscellaneous Surface Coating (Items 2, 5 and 7)

NESHAP Requirements (Items 5 and 7)
The third area source NESHAP being adopted affects paint stripping and certain surface coating operations, including spray coating of motor vehicles and mobile equipment.

Currently, the Department is not aware of any facilities affected by the paint stripping provisions of this NESHAP.

The NESHAP requirements for surface coating require owners and operators of facilities that spray apply coatings containing certain "target HAP" to control HAP through a variety of means. In brief, owners and operators at affected facilities must enclose spray areas, use high efficiency paint guns, capture 98% of overspray, capture paint and solvent when cleaning, and train and certify paint operators. Owners and operators at existing facilities will have until January 2011 to either switch to coatings that do not contain the target HAP, or to comply with the NESHAP requirements. The Department estimates that 700-800 minor source facilities may be subject to the NESHAP, but that many of these facility owners and operators will choose to stop using the target HAP prior to the NESHAP compliance date

The Department, in cooperation with UNI, IDED, and Linn and Polk County local air programs, hosted the first stakeholder meeting on July 15th. The 30 participants received a presentation on the NESHAP and air permitting requirements, a draft guide and other outreach materials. The participants provided valuable input at this initial meeting, and the Department will be offering additional meetings and compliance assistance tools over the next 18 months.

This NESHAP will also impact approximately 15 Title V facilities that are currently considered to be area sources for HAP. The Department will be working directly with the owners and operators of these facilities regarding the new NESHAP requirements.

Construction Permit Requirements (Item 2)
Currently, facilities that spray apply three (3) gallons or less of material per day are eligible for the permit by rule for spray booths (PBR). The owners or operators of PBR-eligible facilities simply complete a one-page notification letter certifying that they meet the PBR requirements.

At the time the PBR was adopted, small spray operations were not subject to any federal air quality regulations. Under the new NESHAP, the owner or operator of any size facility that uses target HAP must comply with numerous NESHAP requirements. Additionally, owners and operators that spray coat motor vehicles and mobile equipment must petition for an exemption if they choose not to use the target HAP.

To accommodate the new NESHAP requirements, the Department is amending the PBR requirements and the accompanying DNR form to require that an owner or operator certify that the facility is in compliance with or otherwise exempt from the NESHAP. The revised PBR form will now be two pages, and will walk owners and operators through a series of questions that will assist them in complying with the NESHAP. Owners and operators of existing facilities that choose to continue using the target HAP will need to re-apply for the PBR to certify compliance prior to the NESHAP compliance date. These rule changes will assist the Department air quality and field office staff in ensuring NESHAP compliance, while still allowing smaller spray operations to use a streamlined permit.

The Department plans to bring this Notice to the Commission for decision at the Commission's October meeting. This will allow time for additional public input at the stakeholder meetings to be held in the near future. The Department will also hold an informational meeting regarding this rule making on August 28, 2008, at 1 p.m. in the conference rooms at the Department's Air Quality Bureau offices. At the informational meeting, Department staff will be available to answer questions on the proposed amendments.

Christine Paulson
Environmental Specialist Senior
Program Development Section, Air Quality Bureau
Memo date: July 21, 2008

ENVIRONMENTAL PROTECTION COMMISSION [567]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection Commission hereby gives Notice of Intended Action to amend Chapter 22, “Controlling Pollution” and Chapter 23, “Emission Standards for Contaminants” of the Iowa Administrative Code.

The purpose of the rule making is to adopt new federal regulations affecting stationary internal combustion engines, gasoline distribution facilities and surface coating operations, and also to amend the state air construction permitting requirements to better accommodate the new federal regulations.

Over the last year, the U.S. Environmental Protection Agenda (EPA) finalized several new air quality regulations under two programs authorized by federal Clean Air Act (CAA), the New Source Performance Standards (NSPS) program and the National Emissions Standards for Hazardous Air Pollutant (NESHAP) program. These programs require new and existing facilities in a particular industry sector that construct and operate specific equipment to meet uniform standards for air pollutant emissions. The NSPS program typically addresses "criteria pollutants," such as fine particulate, sulfur dioxide (SO_2), or nitrogen oxides (NO_x), whereas the NESHAP program addresses hazardous air pollutants (HAP), sometimes called air toxics. NSPS and NESHAP requirements vary depending on the processes, activities or equipment being regulated, and whether the processes, activities or equipment are considered to be new or existing.

This rulemaking includes adoption of new federal NSPS and NESHAP potentially impacting facilities or businesses that previously had few, if any, air quality requirements. Because of the potential impacts to small businesses and previously unregulated facilities, the Department is developing implementation strategies in conjunction with the proposed rulemaking. The strategies include cooperative efforts with University of Northern Iowa – Iowa Air Emissions Assistance Program (UNI), Iowa Department of Economic Development (IDED), the Linn and Polk County local air quality programs, and other interested associations and organizations, to provide outreach, education and compliance assistance to stakeholders.

The Department's outreach efforts began earlier this year, will continue during the rulemaking process, and will go on after the new rules are adopted. The implementation strategies will depend on the specific rule requirements and on stakeholder needs, but will include informational meetings, workshops, training, fact sheets, guides, and web-based compliance tools.

It is hoped that this rulemaking, in conjunction with Department's outreach efforts, will result in reductions in air toxic and other air pollutant emissions while minimizing the regulatory burden to small businesses and other affected facilities.

Item 1 amends paragraph 22.1(2)“r,” which is the construction permit exemption for internal combustion engines with a brake horsepower rating of less than 400. The Department is amending this exemption because of the new NSPS and NESHAP requirements for stationary internal combustion engines (ICE). At this time this exemption was first adopted in the mid-1990's, there were no federal requirements applicable to these smaller engines. The new NSPS and NESHAP regulations for ICE are rather complex and lengthy and require all sizes of new, modified or reconstructed engines to meet certain emission requirements. To address this, the

Department is amending this exemption to require submittal of a registration certifying NSPS and NESHAP compliance. The registration form will walk the owners and operators of affected facilities through a series of questions that will assist them in complying with the NSPS and NESHAP, while still allowing the engine to be exempt from the requirement to obtain a construction permit. The registration will also assist the Department air quality and field office staff to ensure that affected facilities are in compliance.

Item 2 amends subrule 22.8(1), which is the permit by rule for spray booths (PBR). The Department is amending the PBR provisions to reflect the new NESHAP requirements for surface coating operations. At the time the PBR was first adopted, small spray operations were not subject to any federal air quality regulations. Under the new NESHAP, the owner or operator of any size facility that uses target HAP specified under the NESHAP must comply with numerous NESHAP requirements. Additionally, owners and operators that spray coat motor vehicles and mobile equipment must petition for an exemption if they choose not to use the target HAP.

Currently, owners and operators of facilities that spray apply three (3) gallons or less of material per day are eligible for the permit by rule for spray booths (PBR). The owners or operators of PBR-eligible facilities simply complete a one-page notification letter, certifying that they meet the PBR requirements. To accommodate the new federal requirements, the Department is amending the PBR requirements and the Department's accompanying form to require that an owner or operator certify that the facility is in compliance with or otherwise exempt from the NESHAP. The revised PBR form will now be two pages, and will walk owners and operators through a series of questions that will assist them in complying with the NESHAP. Owners and operators of existing facilities that choose to continue using the target HAP will

need to re-apply for the PBR to certify compliance prior to the NESHAP compliance date. These rule changes will assist the Department air quality and field office staff in ensuring NESHAP compliance, while still allowing smaller spray operations to use a streamlined permit.

Item 3 amends subrule 23.1(2), the provisions adopting by reference the federal new source performance standards (NSPS) contained in 40 CFR Part 60. The specific NSPS being adopted is described in Item 4.

Item 4 amends subrule 23.1(2) by adding new paragraph "zzz" to adopt the new NSPS for stationary spark ignition internal combustion engines (SI engines). SI engines are typically gasoline fueled, but also include engines with spark plugs that burn other fuels. SI engines are used at power plants, industrial sources and other facilities to generate electricity and to power pumps and compressors.

The new standards for SI engines will limit emissions of NO_x, carbon monoxide (CO) and volatile organic compounds (VOC). The standards apply to larger SI engines (500 horsepower or greater) manufactured or ordered after July 1, 2007, to smaller SI engines manufactured or ordered after July 1, 2008, and to any size SI engine modified or reconstructed after June 12, 1006. The NSPS phases in more stringent emissions requirements for engines with later manufacture dates. This NSPS is similar to the NSPS for stationary compression ignition (CI) engines. CI engines are typically diesel fueled. The Department adopted the NSPS for CI engines in February 2007.

Item 5 amends subrule 23.1(4), the emission standards for hazardous air pollutants for source categories, also known as National Emission Standards for Hazardous Air Pollutants or NESHAP, to adopt recent amendments that EPA made to 40 CFR Part 63. The specific NESHAP being newly adopted or amended are described in Items 6 and 7.

Item 6 amends paragraph 23.1(4)“cz,” which is the NESHAP for stationary reciprocating internal combustion engines (RICE) (Subpart ZZZZ). EPA recently amended the RICE NESHAP to include new provisions limiting HAP emissions from new and reconstructed RICE at both area sources and major sources.

Area sources are usually smaller commercial or industrial operations that typically release lesser quantities HAP. Specifically, area sources have potential emissions less than 10 tons per year (tpy) of any single HAP and less than 25 tpy of any combination of HAP. Facilities that have potential HAP emissions greater than or equal to these levels are classified as major sources for HAP.

Generally, the RICE NESHAP requires new and reconstructed engines to meet the NSPS requirements for CI or SI engines. Existing engines are not covered under the RICE NESHAP.

Item 7 amends subrule 23.1(4) by adopting new paragraphs “eb,” “ec,” and “eh.” This amendment adopts by reference three new NESHAP for new and existing area sources for the following source categories: 1) Bulk gasoline facilities such as bulk plants, bulk terminals, and pipeline breakout stations (Subpart BBBBBB); 2) Gasoline dispensing facilities (GDF) such as gas stations (Subpart CCCCCC); and 3) Paint stripping and miscellaneous surface coating operations (Subpart HHHHHH)

The area source NESHAP for bulk gasoline distribution will reduce VOC and HAP from gasoline vapors, including benzene emissions. Bulk terminals and pipeline breakout stations typically have higher monthly gasoline throughputs, and the owners and operators are required to control emissions through submerged filling at tanks and loading racks and controls on gasoline storage tanks. Owners and operators of larger terminals must capture and control gasoline

vapors at the loading rack. The Department has received initial notification from approximately 20 existing facilities that will be subject to the NESHAP. Existing facilities will need to comply with the NESHAP by January 2011.

Bulk gasoline plants have lower monthly gasoline throughputs than terminals or breakout stations. Owners and operators of bulk plants are required to control gasoline vapors by using submerged filling at tanks and loading racks. The Department estimates that there may be 100-200 bulk plants affected by the NESHAP. However, owners and operators of bulk plants are already required to use submerged filling at tanks under existing state rules for underground storage tanks (UST) and flammable liquids. The Department is working with Petroleum Marketers and Convenience Stores of Iowa (PMCI), EPA and industry consultants to assist affected facilities with the new NESHAP requirements.

The second area source NESHAP being adopted affects gasoline dispensing facilities (GDF) such as gas stations. Like the NESHAP for bulk facilities, this NESHAP will reduce VOC and HAP from gasoline vapors, including benzene emissions. These standards apply to gasoline cargo tanks (trucks) and each storage tank. The NESHAP does not apply to equipment used for refueling motor vehicles (gasoline pumps).

The gasoline dispensing NESHAP requirements are based on the actual, monthly throughput of gasoline at the facility. Under the NESHAP, owners and operators of smaller facilities are required to follow specified "good management practices" (GMP) to minimize gasoline evaporation. Owners and operators of medium sized facilities are required to follow GMP and use submerged filling of gasoline tanks. Owners and operators of large facilities (greater than or equal to 100,000 gallons/month gasoline throughout) must employ GMP, submerged fill, and a vapor balance system during storage tank loadings.

Owners and operators of GDF are already required to implement GMP and submerged fill under existing administrative rules for UST and flammable liquids. Vapor balancing is not required under existing state rules. The Department estimates that that the owners and operators of approximately 250 larger GDF will need to implement vapor balancing. However, approximately 50 of these facilities already use vapor balancing, and nearly all of the remaining 200 facilities will have until January 2011 to comply with the NESHAP requirements. The Department has been working with EPA, PMCI and a number of affected facilities regarding the new requirements.

The third area source NESHAP being adopted affects paint stripping and certain surface coating operations, including spray coating of motor vehicles and mobile equipment.

Currently, the Department is not aware of any facilities affected by the paint stripping provisions of this NESHAP.

The requirements for miscellaneous surface coating, which includes spray application of coatings to motor vehicles or mobile equipment, require owners and operators of facilities that spray apply coatings containing certain "target HAP" to control HAP through a variety of means. In brief, affected facility owners and operators must enclose spray areas, use high efficiency paint guns, capture 98% of overspray, capture paint and solvent when cleaning, and train and certify paint operators. Owners and operators of existing facilities will have until January 2011 to either switch to coatings that do not contain the target HAP, or to comply with the NESHAP requirements. The Department estimates that 700-800 minor source facilities may be subject to the NESHAP, but that many of the facility owners and operators will choose to stop using the target HAP prior to the NESHAP compliance date

The Department, in cooperation with UNI, IDED, and Linn and Polk County local air programs, hosted the first stakeholder meeting on July 15th. The 30 participants received a presentation on the NESHAP and air permitting requirements, a draft guide and other outreach materials. The participants provided valuable input at this initial meeting, and the Department will be offering additional meetings and compliance assistance tools over the next 18 months.

This NESHAP will also impact approximately 15 Title V facilities that are currently considered to be area sources for HAP. The Department will be working directly with owners and operators of these facilities regarding the new NESHAP requirements.

The Department will hold an informational meeting regarding this rule making on August 28, 2008, at 1 p.m. in the conference rooms at the Department's Air Quality Bureau office located at 7900 Hickman Road, Urbandale, Iowa. At the informational meeting, Department staff will be available to answer questions on the proposed amendments.

Any person may make written suggestions or comments on the proposed amendments on or before [Date TBD]. Written comments should be directed to Christine Paulson, Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Urbandale, Iowa 50322, fax (515)242–5094, or by electronic mail to christine.paulson@dnr. iowa.gov.

A public hearing will be held on [Date TBD] in the conference rooms at the Department's Air Quality Bureau office located at 7900 Hickman Road, Urbandale, Iowa. At the public hearing, comments on the proposed amendments may be submitted orally or in writing. All comments must be received no later than [Date TBD].

Any person who intends to attend the informational meeting or the public hearing and has special requirements, such as those related to hearing or mobility impairments, should contact Christine Paulson at (515)242–5154 to advise of any specific needs.

These amendments are intended to implement Iowa Code section 455B.133.

The following amendments are proposed.

ITEM 1. Amend paragraph **22.1(2)"r"** as follows:

r. Internal combustion engine with a brake horsepower rating of less than 400 measured at the shaft, provided that the owner or operator meets all of the conditions in this paragraph. For the purposes of this exemption, the manufacturer's nameplate ~~rating~~ rated capacity at full load shall be defined as the brake horsepower output at the shaft. ~~An internal combustion engine may be subject to the new source performance standards (NSPS) for stationary compression ignition internal combustion engines set forth in 40 CFR Part 60, Subpart IIII, as adopted by reference in 567 paragraph 23.1(2)"yyy."~~ The owner or operator of an engine that was manufactured, ordered, modified or reconstructed after [insert rule effective date] may use this exemption only if the owner or operator also submits to the department a completed registration, on forms provided by the department, certifying that the engine is compliance with the following federal regulations:

1. New source performance standards (NSPS) for stationary compression ignition internal combustion engines (40 CFR Part 60, Subpart IIII);

2. New source performance standards (NSPS) for stationary spark ignition internal combustion engines (40 CFR Part 60, Subpart JJJJ); and

3. National emission standards for hazardous air pollutants (NESHAP) for reciprocating internal combustion engines (40 CFR Part 63, Subpart ZZZZ).

Use of this exemption does not relieve an owner or operator from any obligation to comply with ~~the~~ NSPS or NESHAP requirements.

ITEM 2. Amend subrule 22.8(1) as follows:

22.8(1) Permit by rule for spray booths. Spray booths which comply with the requirements contained in this rule will be deemed to be in compliance with the requirements to obtain an air construction permit and an air operating permit. Spray booths which comply with this rule will be considered to have federally enforceable limits so that their potential emissions are less than the major source limits for regulated air pollutants and hazardous air pollutants as defined in 567 22.100(455B).

a. Definition. “Sprayed material” is material sprayed from spray equipment when used in the surface coating process in the spray booth, including but not limited to paint, solvents, and mixtures of paint and solvents.

b. Facilities which facility wide spray one gallon per day or less of sprayed material are exempt from all other requirements in 567—Chapter 22, except that they must submit the certification in 22.8(1)“e” to the department and keep records of daily sprayed material use. The ~~facility~~ owner or operator must keep the records of daily sprayed material use for 18 months from the date to which the records apply. The owner or operator also must certify that the facility is in compliance with or otherwise exempt from the federal regulations specified in 22.8(1)"e."

c. Facilities which facility wide spray more than one gallon per day but never more than three gallons per day are exempt from all other requirements in 567—Chapter 22, except that they must submit the certification in 22.8(1)“e” to the department, keep records of daily sprayed material use, and vent emissions from spray booth(s) through stack(s) which is at least 22 feet tall, measured from ground level. The facility must keep the records of daily sprayed material use for 18 months from the date to which the records apply. The owner or operator also must

certify that the facility is in compliance with or otherwise exempt from the federal regulations specified in 22.8(1)"e."

d. Facilities which facility-wide spray more than three gallons per day ~~must comply with all applicable statutes and rules~~ are not eligible to use the permit by rule for spray booths and must apply for a construction permit as required by subrules 22.1(1) and 22.1(3) unless otherwise exempt.

e. Facilities which claim to be permitted by provisions of this rule must submit to the department a written ~~statement as follows: "I certify that all paint booths at the facility and listed below are in compliance with all applicable requirements of 567 IAC 22.8(1) and all other applicable requirements, including but not limited to the allowable emission rate for painting and surface coating operations of 0.01 gr/scf of exhaust gas as specified in 567—subrule 23.4(13). I understand that this equipment shall be deemed permitted under the terms of 567 IAC 22.8(1) only if all applicable requirements of 567 IAC 22.8(1) are met. This certification is based on information and belief formed after reasonable inquiry; the statements and information in the document are true, accurate, and complete."~~ notification letter, on forms provided by the department, certifying that the facility meets the following conditions:

- All paint booths and associated equipment are in compliance the provisions of subrule 22.8(1);
- All paint booths and associated equipment are in compliance with all applicable requirements, including, but not limited to, the allowable particulate emission rate for painting and surface coating operations of 0.01 gr/scf of exhaust gas as specified in subrule 23.4(13); and

- All paint booths and associated equipment are in compliance with or otherwise exempt from the national emissions standards for hazardous air pollutants (NESHAP) for paint stripping and miscellaneous surface coating at area sources (40 CFR Part 63, Subpart HHHHHH).

The certification must be signed by one of the following individuals.

(1) For corporations, a principal executive officer of at least the level of vice president, or a responsible official as defined at 567 IAC 22.100(455B).

(2) For partnerships, a general partner.

(3) For sole proprietorships, the proprietor.

(4) For municipal, state, county, or other public facilities, the principal executive officer or the ranking elected official.

ITEM 3. Amend subrule 23.1(2), introductory paragraph, as follows:

23.1(2) New source performance standards. The federal standards of performance for new stationary sources, as defined in 40 Code of Federal Regulations Part 60 as amended or corrected through ~~November 16, 2007,~~ June 2, 2008, are adopted by reference, except § 60.530 through § 60.539b (Part 60, Subpart AAA), and shall apply to the following affected facilities. The corresponding 40 CFR Part 60 subpart designation is in parentheses. Reference test methods (Appendix A), performance specifications (Appendix B), determination of emission rate change (Appendix C), quality assurance procedures (Appendix F) and the general provisions (Subpart A) of 40 CFR Part 60 also apply to the affected facilities.

ITEM 4. Amend subrule 23.1(2) adopting the following **new** paragraph:

zzz. Stationary spark ignition internal combustion engines. These standards apply to each stationary spark ignition internal combustion engine whose construction, modification or reconstruction commenced after June 12, 2006. (Part 60, Subpart JJJJ)

ITEM 5. Amend subrule 23.1(4), introductory paragraph, as follows:

23.1(4) Emission standards for hazardous air pollutants for source categories. The federal standards for emissions of hazardous air pollutants for source categories, 40 Code of Federal Regulations Part 63 as amended or corrected through ~~April 8, 2008,~~ July 17, 2008, are adopted by reference, except those provisions which cannot be delegated to the states. The corresponding 40 CFR Part 63 subpart designation is in parentheses. An earlier date for adoption by reference may be included with the subpart designation in parentheses. 40 CFR Part 63, Subpart B, incorporates the requirements of Clean Air Act Sections 112(g) and 112(j) and does not adopt standards for a specific affected facility. Test methods (Appendix A), sources defined for early reduction provisions (Appendix B), and determination of the fraction biodegraded (F_{bio}) in the biological treatment unit (Appendix C) of Part 63 also apply to the affected activities or facilities. For the purposes of this subrule, "hazardous air pollutant" has the same meaning found in 567—22.100(455B). For the purposes of this subrule, a "major source" means any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit, considering controls, in the aggregate, 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants, unless a lesser quantity is established, or in the case of radionuclides, where different criteria are employed. For the purposes of this subrule, an "area source" means any stationary source of hazardous air pollutants that is not a "major source" as defined in this subrule. Paragraph 23.1(4)"a," general provisions (Subpart A) of Part

63, shall apply to owners or operators who are subject to subsequent subparts of 40 CFR Part 63 (except when otherwise specified in a particular subpart or in a relevant standard) as adopted by reference below. The provisions of 40 CFR Part 60, Subparts A, B, Da, and HHHH for the Clean Air Mercury Rule (CAMR), are found at subrules 23.1(2) and 23.1(5) and in 567—Chapter 34.

ITEM 6. Amend paragraph **23.1(4)"cz"** as follows:

cz. Emission standards for stationary reciprocating internal combustion engines. These standards apply to new and existing major sources with stationary reciprocating internal combustion engines (RICE). For purposes of these standards, stationary RICE means any reciprocating internal combustion engine which uses reciprocating motion to convert heat energy into mechanical work and which is not mobile. (Part 63, Subpart ZZZZ~~, as amended through April 20, 2006~~)

ITEM 7. Amend subrule **23.1(4)** by adopting **new** paragraphs **"eb," "ec,"** and **"eh"** as follows:

eb. Emission standards for hazardous air pollutants for gasoline distribution area sources: bulk terminals, bulk plants and pipeline facilities. This standard applies to new and existing bulk gasoline terminals, pipeline breakout stations, pipeline pumping stations and bulk gasoline plants that are area sources for hazardous air pollutant emissions. (Part 63, Subpart BBBBBB)

ec. Emission standards for hazardous air pollutants for area sources: gasoline dispensing facilities. This standard applies to new and existing gasoline dispensing facilities (GDF) that are area sources for hazardous air pollutant emissions. The affected equipment includes each gasoline cargo tank during delivery of product to GDF and also includes each

storage tank. The equipment used for refueling of motor vehicles in not covered under these standards. (Part 63, Subpart CCCCCC)

eh. Emission standards for hazardous air pollutants for area sources: paint stripping and miscellaneous surface coating operations. This standard applies to new or existing area sources of hazardous air pollutants emissions that engage in any of the following activities: 1. Paint stripping operations that use methylene chloride (MeCl)-containing pant stripping formulations; 2. Spray application of coatings to motor vehicles or mobile equipment; or 3. Spray application of coatings to plastic or wood metal substrate with coatings that contain compounds of chromium (Cr), lead (Pb), manganese (Mn), nickel (Ni) or cadmium (Cd). (Part 63, Subpart HHHHHH)

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Date

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Richard A. Leopold, Director